



PUBLIC NOTICE

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Released: November 23, 2010

**DOMESTIC SECTION 214 APPLICATION FILED FOR THE ACQUISITION OF ASSETS OF
NATIONAL BRANDS, INC. D/B/A SHARENET COMMUNICATIONS COMPANY
BY INTEGRA TELECOM HOLDINGS, INC.**

STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 10-225

Comments Due: December 7, 2010

Reply Comments Due: December 14, 2010

On October 27, 2010, National Brands, Inc. d/b/a Sharenet Communications Company (Sharenet), Integra Telecom Holdings, Inc. (Integra Holdings), and its affiliate, Eschelon Telecom of Arizona, Inc., (together, Integra) (collectively, Applicants) filed an application pursuant to section 63.03 of the Commission's rules to transfer assets from Sharenet to Integra.¹

Sharenet, an Arizona corporation, provides competitive local exchange carrier (LEC) and long distance services to business customers in Arizona. Eschelon Telecom of Arizona, Inc., a Minnesota corporation, and its parent company, Eschelon Telecom, Inc., a Delaware corporation, are wholly owned by Integra Holdings, an Oregon corporation. Integra Holdings is in turn owned by Integra Telecom, Inc., an Oregon corporation. Eschelon Telecom of Arizona, Inc. provides competitive LEC and long distance services to small and mid-sized businesses in Arizona. Integra Holdings has other operating subsidiaries that provide competitive telecommunications services in Arizona, California, Colorado, Idaho, Minnesota, Montana, Nevada, North Dakota, Oregon, Utah, and Washington.²

Applicants state that the following investment entities own at least 10 percent of the equity of Integra Telecom, Inc.: Goldman Sachs & Co. (36.41 percent), Tennenbaum Capital Partners, LLC (Tennenbaum Capital) (21.86 percent), and Farallon Capital Management, L.L.C. (Farallon Capital) (10.20 percent). The Goldman Sachs Group, Inc. has a 99.8 percent limited partner interest in Goldman, Sachs & Co and is the sole member of The Goldman, Sachs & Co. L.L.C., which is the sole general partner of Goldman, Sachs & Co. All of these Goldman Sachs entities are Delaware based. Applicants

¹ 47 C.F.R. § 63.03; see 47 U.S.C. § 214. Applicants also filed an application for transfer of control associated with authorizations for international services. Any action on this domestic section 214 application is without prejudice to Commission action on other pending applications. Applicants filed supplements to their domestic section 214 application on November 18, 19, and 23, 2010.

² Mountain Telecommunications of Arizona, Inc. and Electric Lightwave, LLC are other subsidiaries of Integra Telecom, Inc. that provide service in Arizona.

state that all of the equity interests in The Goldman, Sachs & Co. L.L.C. are held by The Goldman Sachs Group, Inc., which is a publicly traded company with no 10 percent or greater interest holders.³

The following entities have a 10 percent or greater interest in Tennenbaum Capital, a Delaware entity: Tennenbaum & Co, LLC, a Delaware limited liability company (40 percent), Howard M. Levkowitz, U.S. citizen (15 percent and managing partner of Tennenbaum Capital), and Mark K. Holdsworth, U.S. citizen (15 percent and managing partner of Tennenbaum Capital). Michael E. Tennenbaum, a U.S. citizen, is the managing member of Tennenbaum & Co., LLC, which is wholly owned by Mr. Tennenbaum and his wife, Suzanne Stockfish Tennenbaum, a U.S. citizen. Tennenbaum Capital is the investment manager to four Tennenbaum funds that in the aggregate hold the 21.86 percent of the common stock of Integra Telecom, Inc.⁴

The following individuals have a 10 percent or greater interest in Farallon Capital: Thomas F. Steyer, U.S. citizen (41 percent and senior managing member and co-managing partner of Farallon Capital), and Andrew J.M. Spokes, United Kingdom citizen (25 percent and managing member and co-managing partner of Farallon Capital).⁵ Farallon Capital is an investment adviser to 11 funds, six of which hold in the aggregate approximately 10.20 percent of the common stock of Integra Telecom, Inc.⁶

³ Applicants state that the Goldman Sachs entities own interests in several wireline and wireless carriers providing competitive service in the U.S.

⁴ The Tennenbaum Funds are: Special Value Opportunities Fund, LLC (SVOF) (5.73 percent), Special Value Expansion Fund, LLC (SVEF) (4.78 percent), Special Value Continuation Partners, LP (SVCP) (1.27 percent), and Tennenbaum Opportunities Partners V, LP (TOPV) (10.08 percent). Each fund is Delaware based. Applicants state that neither SVOF nor SVEF have a managing member. They state that both SVOF and SVEF have a majority-independent board of directors that serves the managing member role. For both SVCP and TOPV, SVOF/MM, LLC, a Delaware limited liability company, is the general partner. The managing member of SVOF/MM, LLC is Tennenbaum Capital. The general partner has a limited role. Both SVCP and TOPV have a majority-independent board of directors. Applicants further state that no equity holder in the Tennenbaum Funds will have a cognizable interest in Integra Telecom, Inc.'s certificated carriers.

⁵ The name and citizenship of the Managing Members of Farallon Capital in addition to Mr. Steyer and Mr. Spokes are: Richard B. Fried, U.S.; Stephen L. Millham, U.S.; Mark C. Wehrly, U.S.; William F. Duhamel, U.S.; Monica R. Landry, U.S.; Gregory S. Swart, New Zealand; Rajiv A. Patel, U.S.; Alice F. Evarts, U.S.; Jason E. Moment, U.S.; Douglas M. MacMahon, U.S.; Ashish H. Pant, India; Daniel J. Hirsch, U.S.; Richard H. Voon, U.S. Applicants state that none of the managing members other than Mr. Steyer and Mr. Spokes hold a 10 percent or greater interest in Farallon Capital.

⁶ Farallon Capital is the investment manager to the Farallon Funds, which include the following eleven funds: Farallon Capital Partners, L.P. (FCP, L.P.), a California limited partnership; Farallon FCP, Ltd. (FFCP, Ltd.), a Delaware grantor trust; Farallon Capital Institutional Partners, L.P. (FCIP, L.P.), a California limited partnership; Farallon FCIP, Ltd. (FFCIP, Ltd.), a Delaware grantor trust; Farallon Capital Institutional Partners II, L.P. (FCIP II, L.P.), a California limited partnership; Farallon Capital Institutional Partners III, L.P. (FCIP III, L.P.), a Delaware limited partnership; Tinicum Partners, L.P. (TP, L.P.), a New York limited partnership; Farallon Capital Offshore Investors II, L.P. (FCOI II, L.P.), a Cayman, B.W.I. exempted limited partnership; Farallon FCOI II, Inc. (FFCOI II, Inc.), a Cayman, B.W.I. exempted company; Farallon Capital Offshore Investors, Inc. (FCOI, Inc.), a B.V.I. company; and Farallon Capital Offshore Investors III, Inc. (FCOI III, Inc.), a Cayman, B.W.I. exempted company. Six individual Farallon Funds hold interests in Integra Telecom, Inc.: FCP, L.P. (2.29 percent); FCIP, L.P. (2.69 percent); FCIP II, L.P. (0.21 percent); FCIP III, L.P. (0.12 percent); FCOI II, L.P. (2.36 percent); and FCOI III, Inc. (2.52 percent). Applicants state that none of the remaining funds hold an interest in Integra Telecom Holdings, Inc., and in the aggregate, the funds hold approximately 10.20 percent of the common stock of Integra Telecom, Inc. The sole general partner for each of the above partnerships is Farallon Partners, L.L.C. (FP), a Delaware limited liability company. FP also acts as the administrative trustee for the above-referenced Delaware grantor trusts. For Farallon Capital Offshore Investors, Inc. and Farallon Capital Offshore Investors III, Inc., Farallon Capital acts as agent and attorney-in-fact. For Farallon FCOI II, Inc., its sole director is Farallon Partners Directors, L.L.C., a Delaware limited liability company that's sole member is FP. Applicants state that no equity holder in the Farallon

Pursuant to the terms of the proposed transaction, Integra will purchase 150 local exchange and long distance business customers and related customer premises equipment in Arizona from Sharenet. Applicants assert that the proposed transaction is entitled to presumptive streamlined treatment under section 63.03(b)(2)(i) of the Commission's rules and that a grant of the application will serve the public interest, convenience, and necessity.⁷

Domestic Section 214 Application Filed for the Acquisition of Assets of National Brands, Inc. d/b/a Sharenet Communications Company by Integra Telecom Holdings, Inc., WC Docket No. 10-225 (filed Oct. 27, 2010).

GENERAL INFORMATION

The Wireline Competition Bureau finds, upon initial review, that the transfer identified herein is acceptable for filing as a streamlined application. The Commission reserves the right to return any transfer of control application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies. Pursuant to section 63.03(a) of the Commission's rules, 47 C.F.R. § 63.03(a), interested parties may file comments **on or before December 7, 2010**, and reply comments **on or before December 14, 2010**. Unless otherwise notified by the Commission, the Applicants may transfer control on the 31st day after the date of this notice.⁸ Comments must be filed electronically using (1) the Commission's Electronic Comment Filing System (ECFS) or (2) the Federal Government's e-Rulemaking Portal. See 47 C.F.R. § 63.03(a) ("All comments on streamlined applications shall be filed electronically . . ."); *Electronic Filing of Documents in Rulemaking Proceedings*, 63 FR 24121 (1998).

- Comments may be filed electronically using the Internet by accessing the ECFS, <http://www.fcc.gov/cgb/ecfs/>, or the Federal e-Rulemaking Portal, <http://www.regulations.gov>. Filers should follow the instructions provided on the website for submitting comments.
- For ECFS filers, if multiple docket or rulemaking numbers appear in the caption of this proceeding, filers must transmit one electronic copy of the comments for each docket or rulemaking number referenced in the caption. In completing the transmittal screen, filers should include their full name, U.S. Postal Service mailing address, and the applicable docket or rulemaking number. Parties may also submit an electronic comment by Internet e-mail. To get filing instructions, filers should send an e-mail to ecfs@fcc.gov and include the following words in the body of the message, "get form." A sample form and directions will be sent in response.

In addition, e-mail one copy of each pleading to each of the following:

- 1) The Commission's duplicating contractor, Best Copy and Printing, Inc., fcc@bcpiweb.com; phone: (202) 488-5300; fax: (202) 488-5563;
- 2) Tracey Wilson, Competition Policy Division, Wireline Competition Bureau, tracey.wilson@fcc.gov;

Funds will have a cognizable interest in Integra's certificated carriers. Applicants further state that Farallon holds less than a 10 percent interest in Knology, Inc. that provides competitive telecommunications services in Alabama, Florida, Georgia, Iowa, South Dakota, and Tennessee.

⁷ 47 C.F.R. § 63.03(b)(2)(i).

⁸ Such authorization is conditioned upon receipt of any other necessary approvals from the Commission in connection with the proposed transaction.

- 3) Jodie May, Competition Policy Division, Wireline Competition Bureau, jodie.may@fcc.gov;
- 4) David Krech, Policy Division, International Bureau, david.krech@fcc.gov; and
- 5) Jim Bird, Office of General Counsel, jim.bird@fcc.gov.

Filings and comments are available for public inspection and copying during regular business hours at the FCC Reference Information Center, Portals II, 445 12th Street, S.W., Room CY-A257, Washington, D.C. 20554. They may also be purchased from the Commission's duplicating contractor, Best Copy and Printing, Inc., Portals II, 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554; telephone: (202) 488-5300; fax: (202) 488-5563; e-mail: fcc@bcpiweb.com; url: www.bcpiweb.com.

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For further information, please contact Tracey Wilson at (202) 418-1394 or Jodie May at (202) 418-0913.

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